

XVII. Non-Utility, Third-Party Model

In addition to the foregoing rules of the Commission another objective of the Commission is to determine what is the most effective and efficient administrative structure for delivering EE programs in Louisiana for the long-term. While concerns have been raised regarding the fairness of the traditional utility run rate-payer funded EE programs to those rate-payers who do not participate in the programs, other concerns have also been raised that the development and deployment of traditional utility run EE programs within an individual utility may be impeded by conflicting financial motives, a corporate culture that favors supply-side solutions to meeting energy needs, and when attempted to be implemented on a state-wide basis, a lack of a coordinated approach resulting in confusion for customers, program redundancies, and overall inefficiencies in administration. To address these concerns, the Commission believes that it is in the public interest to also provide for the use of a Third-Party EE Program. The Third-Party shall be a non-governmental, non-utility entity that administers, implements and operates, including but not limited to weatherization of homes and businesses, purchase and installation of energy efficiency equipment, etc., EE programs under a contract, MOU or similar relationship with the Commission with the goal of creating a self- sustaining EE program that is paid for with non-ratepayer funding.

The Commission's Third-Party Model Program shall have the following objectives:

1. Provide within the program a financial structure which will result in the EE program becoming self-sustaining, including program monitoring and evaluation;
2. Provide for the implementation of an energy efficiency statewide infrastructure program for participating homes that will provide between 20 and 30 percent energy savings at a reasonable cost;
3. Provide for the implementation of an energy efficiency statewide infrastructure program for participating commercial and public buildings that will result in energy savings at a reasonable cost;
4. Provide within the program a selection criteria for participating residential, commercial, and public facilities;
5. Provide within the program the Evaluation, Measurement and Verification of the actual savings and other effects from the EE program;
6. Provide within the program an objective to identify and reduce uncollectable utility bills;
7. Provide within the program an education training session for each participant on how to reduce energy consumption;
8. Such other requirements as the Commission may determine to be in the best interest of the successful implementation and operation of a Third-Party Model Program.

There may be several ways to achieve the above objectives, therefore I direct the staff to solicit proposals from prospective Third Party Program developers, through an RFP, with specific emphasis on

methods which will achieve the above enumerated objectives in the most efficient and economical manner.